

## **REMARKS**

### **1. The Amendments and the Support Therefor**

No claims have been canceled, one new claim (42) has been added, and all preexisting claims (1-21, 23-26, 28, and 35-41) have been amended to leave claims 1-21, 23-26, 28, and 35-42 in the application. A charge authorization for new should accompany this Response, as per 37 CFR §1.16(b)-(d), with the fee due being calculated as follows:

#### **FEE CALCULATION**

For	Already Paid	No. Extra	Rate (SMALL ENTITY)	Fee (SMALL ENTITY)
Total Claims	34 - 33 =	1	x \$25 =	\$25
Independent Claims	5 - 4 =	1	x \$105 =	\$105
Total:				\$130

All preexisting claims (1-21, 23-26, 28, and 35-41) have been amended to further clarify the claim terminology, with “financial” being inserted before “transaction,” “charge card authorization” being substituted for “funds transfer authorization” (and more generally “card charge” being substituted for “funds transfer”), “card charge request” being substituted for “authorization request,” “financial institution” being substituted for “authorisation authority.” This terminology is supported by (for example) page 8 line 22 onward.

Independent claims 1, 28, 35, and 37 are also amended to emphasize that the claimed system is intended to allow “location-verified” card charges for *any* type of transaction, and that the claimed system is not intended to simply serve as a utility payment system, as in the cited art.

Claim 36 is also amended to correct a dependency error.

Newly-added independent claim 42 finds support in claim 1, and is intended to further clarify the invention.

### **2. Rejection of Claims 1-12, 14-23, 27-28, and 35-41 under 35 USC §103(a) in view of U.S. Patent 6,529,883 to Yee et al. and U.S. Patent 4,351,028 to Peddie et al.**

Kindly reconsider and withdraw the rejections, since no ordinary artisan would truly modify *Yee* to attain the claimed invention. Further explanation follows.

It is initially useful to review the present invention. As described in the Background section of the present application, financiers such as credit card providers are concerned with fraudulent use of credit card numbers, and they prefer credit card transactions wherein the credit card being used is verified as being present at a particular location. Otherwise, a premium (e.g., a greater percentage of the purchase price) may be charged to the vendor to cover the cost of the increased risk that the transaction is fraudulent. The claimed system relates to verification of credit card presence by sending, when a charge card authorization request is made, both typical card charge authorization data *and also* data related to the identity (and thus the location) of a nearby utility meter. Since utility meters are fixed in their locations, and since many utility companies provide utility meters with unique identification numbers or other identifiers, meter identification can allow the location of a charge authorization request to be identified with a relatively high degree of certainty. This measure can help detect fraudulent transactions; for example, if a charge authorization request comes in from an unusual location (one far away from a card user's home), or if a charge authorization request is accompanied by a request to ship ordered goods to a far different location, the odds of a fraudulent transaction may be greater.

U.S. Patent 6,529,883 to *Yee et al.* then relates to a prepayment utility metering system. A memory card is loaded with funds at a customer service center (column 2 lines 48-51). A utility meter 12 and customer terminal 11 are located in the customer residence (as illustrated in FIG. 1). The customer terminal is illustrated in greater detail in FIG. 4 (and is discussed at column 4 line 45 onward), and includes a card reader 41 for the memory card. The utility meter 12 is illustrated in greater detail in FIG. 5, and is discussed at column 5 line 35 onward. When a fund-loaded memory card is inserted into the customer terminal 11, its data is transmitted to the nearby utility meter 12 over the power line within the customer residence (column 4 lines 49-62), and the funds loaded on the memory card are then credited to the utility meter 12 (column 6 lines 6-8) to allow prepayment for some amount of energy (or water, etc.). See also column 7 lines 18-41. The utility meter 12 has an IP address (column 4 lines 66-67, column 5 lines 50-52), and the memory card stores the address such that the customer terminal 11 only applies the memory card's funds to the corresponding utility meter 12 (column 6 lines 9-12).

Note that the utility company does not directly communicate with the utility meter 12 and/or customer terminal 11, save for supplying electricity. However, communication between the utility meter 12 and/or customer terminal 11 and the utility company may periodically occur:

- Between the customer terminal 11 and the utility company via the memory card. The customer terminal 11 may store information such as electricity consumption, etc. on the memory card, and the memory card may in turn communicate this data to the utility company when the card is reloaded with funds at the customer service center (column 2 lines 41-45, column 6 lines 43-45, column 7 lines 38-41). This is in accordance with *Yee*'s objective that the *Yee* system be easy and inexpensive to install (see column 1 lines 60-64): note that the *Yee* system is "self-contained" in that the utility meter 12 and terminal 11 can be installed/retrofit at some location, without the need to also install some form of data communication line between the system (the utility meter 12 and terminal 11) and the utility itself. Instead, data communication with the utility occurs through the memory card.
- Between the utility meter 12 and the utility company via a technician's service terminal. *Yee* notes, at column 3 lines 29-67, the use of a service terminal (26 in FIG. 1 of *Yee*) which may receive data from the meter and transmit the data to the utility during service activities. See particularly column 3 lines 32-40, noting that the service terminal can "retrieve[] transaction history and meter health information from utility meter 12 and can store this information on its disk. The information on this disk may be transferred to the utility service provider . . . by communicating over a LAN or Internet type of system." Here too the communication between the home system (the utility meter 12 and terminal 11) and the utility does not require a permanent line between the system and the utility – it only periodically occurs if/when service activities occur.

From the foregoing, it should be apparent that *Yee* is largely directed to different matter than the invention of claims 1, 28, 35, and 37: *Yee*'s system is directed *only* to utility payments; it does so using a memory card rather than a credit/debit card; it uses meter ID solely to communicate with a specific meter, rather than to associate a card transaction with a specific

location (the meter location); and it never transmits *any* card data, including any authorization request which includes (1) data identifying a credit/charge card account and (2) data verifying that the corresponding credit/charge card is present at the user interface unit. In particular, *Yee* does not account for, or care about, verifying that a credit/charge card is present at the location of the user interface unit; it does not need to do so, since *Yee* deals with *prepaid* funds paid at a customer service center (column 2 lines 48-51). No credit/charge card payments are made at the user interface unit, and in any event the prepaid funds are “tied to” the utility meter in question (see column 6 lines 9-23) and cannot be used for other meters. Thus, there is no need to verify the presence of a credit card.

U.S. Patent 4,351,028 to *Peddie et al.* then describes a utility prepayment system wherein processor 20 monitors power consumption (see FIG. 1), and a user prepays for power via credit or debit transactions initiated at keypad 24 and display 23. A modem 27 communicates the credit/debit instructions to the utility, which processes the payments (see column 3 lines 53-57, column 4 lines 3-7). FIG. 2 illustrates a system wherein a coin pre-payment mechanism 30 is also incorporated, whereby a user can prepay with cash rather than credit (column 4 lines 22-46). When the user approaches the limits of his/her prepaid limit, the display 23 can emit a signal that the user must apply additional payment for continued operation, and/or the processor 20 can intermittently cut power at switch 18 to indicate that power will soon be cut (column 4 lines 8-27). *Peddie* neither discloses nor suggests the use of a transaction authorization which includes data verifying that a credit/charge card is present at the location of the user interface unit, or data related to the meter location. Since a user simply enters credit/debit account information at keypad 24 (or supplies coins via mechanism 30) to pay for accrued energy charges (see column 3 line 53 onward), it does not matter whether a credit/charge card is present or where the meter is located: if payment is unacceptable, power is simply cut at the switch 18. In other words, since all the *Peddie* system cares about is whether acceptable payment has been rendered for metered power, the physical presence of a credit/debit card, and/or the location of the meter, are irrelevant.

The February 20, 2007 Office Action asserts that:

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify *Yee* to include that the utility meter transmits said authorization request to obtain said authorization of the transaction, as disclosed in *Peddie*, because it would advantageously allow to delegate this task to a third party service provider, thereby allowing to use less powerful processor in the meter and decrease operating cost.

However, the invention currently claimed cannot be said to be obvious in view of *Yee* and/or *Peddie*: an ordinary artisan reviewing *Yee* and/or *Peddie* would never contemplate the adaptation of these systems to pay for non-utility transactions. It is not even clear how these systems *could* be adapted for such transactions. Further, the references of record do not use or even appreciate the use of meter identity (and thus location) data to assist in prevention of non-fraudulent transactions by allowing a financial institution to identify a meter associated with the charge transaction. Even in *Yee*, which is the only reference to make use of any meter identity data, the data is merely used to apply credit to the correct meter.

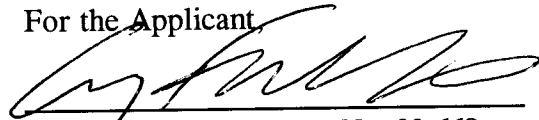
New claim 42 is submitted to be allowable because neither *Yee* nor *Peddie*, taken alone or combined, suggest transmitting a card charge request to a financial institution with all of credit/charge card account information, the amount to be charged, card presence verification, and meter location identifier. Neither *Yee* nor *Peddie* transmits the meter location identifier, whether alone or in connection with the other data. Even in *Yee*, which is the only reference to discuss use of a meter location identifier, the meter location identifier is used solely in ensuring the customer terminal 11 communicates with the proper meter 12. Further, neither *Yee* nor *Peddie* care if a card is present, and they do not transmit any card presence verification; they only care if payment is received. Finally, *Yee* and *Peddie* only process utility payments, and it is not seem how they can be adapted to accept payment for other transactions.

### **3. In Closing**

If any questions regarding the application arise, please contact the undersigned attorney. Telephone calls related to this application are welcomed and encouraged. The Commissioner is authorized to charge any fees or credit any overpayments relating to this application to deposit account number 18-2055.

- Charge Authorization (\$360)

For the Applicant,



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